

Hospital Finance Authority

Mission

The West Virginia Hospital Finance Authority provides, at a reasonable cost to hospitals, a means of improving health, welfare, and living conditions for the people of West Virginia. The intent is to lower costs to hospitals and, ultimately, the consumers.

Operations

Since its inception in 1984, the authority has issued over one billion dollars in bonds for hospitals and other health care organizations throughout the state. The bonds issued through the authority do not constitute a debt or pledge of faith and credit or taxing power of the State or of any county municipality or of any other political subdivision of the state.

- Provide hospitals, certain nursing homes, or other related facilities certified under the Social Securities Act as intermediate care facilities for the mentally impaired within the state with appropriate means to maintain, expand, enlarge, and establish health care, hospitals, and other related facilities.
- Provide hospitals with the ability to finance indebtedness pursuant to a hospital loan program.
- Lease or purchase real or personal property, including hospitals and hospital facilities.
- Maintain a positive and viable relationship with the hospitals, nursing homes, and other related health care facilities within the state.
- Maintain a positive working relationship with bond counsels, hospital administrators and their chief financial officers, investment bankers, trustees, and the West Virginia Legislature.
- Streamline and cut costs to maintain a workable budget.

Goals/Objectives

- Prepare for the issuance of bonds at the request of hospitals, certain nursing homes, and/or other related facilities.
- Bring to the market and sell the bond issues within three months of the request.

Performance Measures

| <u>Fiscal Year</u> | <u>Actual</u> <u>2003</u> | <u>Actual</u> <u>2004</u> | <u>Estimated</u> <u>2005</u> | <u>Actual</u> <u>2005</u> | <u>Estimated</u> <u>2006</u> | <u>Estimated</u> <u>2007</u> |
|--|------------------------------|------------------------------|---------------------------------|------------------------------|---------------------------------|---------------------------------|
| Value of bonds issued (in millions) | \$187 | \$110 | \$250 | \$60 | \$80 | \$100 |
| Value of bonds outstanding (in millions) | \$582 | \$647 | \$680 | \$848 | \$875 | \$875 |

Expenditures

| | TOTAL FTE POSITIONS 11/30/2005 | ACTUALS FY 2005 | BUDGETED FY 2006 | REQUESTED FY 2007 | GOVERNOR'S RECOMMENDATION |
|---|--------------------------------------|--------------------|---------------------|----------------------|------------------------------|
| EXPENDITURE BY PROGRAM | | | | | |
| Hospital Finance Authority | 1.00 | \$65,225 | \$95,564 | \$94,500 | |
| TOTAL BY PROGRAM | 1.00 | 65,225 | 95,564 | 94,500 | 95,564 |
| EXPENDITURE BY FUND | | | | | |
| General Fund | | | | | |
| FTE Positions | | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Personal Services | | 0 | 0 | 0 | 0 |
| Employee Benefits | | 0 | 0 | 0 | 0 |
| Other Expenses | | 0 | 0 | 0 | 0 |
| Less: Reappropriated | | 0 | 0 | 0 | 0 |
| Subtotal: General Fund | | 0 | 0 | 0 | 0 |
| Federal Fund | | | | | |
| FTE Positions | | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Personal Services | | 0 | 0 | 0 | 0 |
| Employee Benefits | | 0 | 0 | 0 | 0 |
| Other Expenses | | 0 | 0 | 0 | 0 |
| Subtotal: Federal Fund | | 0 | 0 | 0 | 0 |
| Appropriated Special Fund | | | | | |
| FTE Positions | | 1.00 | 1.00 | 1.00 | 1.00 |
| Total Personal Services | | 38,344 | 47,674 | 46,824 | 47,724 |
| Employee Benefits | | 10,944 | 17,617 | 17,488 | 17,652 |
| Other Expenses | | 15,937 | 30,273 | 30,188 | 30,188 |
| Less: Reappropriated | | 0 | 0 | 0 | 0 |
| Subtotal: Appropriated Special Fund | | 65,225 | 95,564 | 94,500 | 95,564 |
| Nonappropriated Special Fund | | | | | |
| FTE Positions | | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Personal Services | | 0 | 0 | 0 | 0 |
| Employee Benefits | | 0 | 0 | 0 | 0 |
| Other Expenses | | 0 | 0 | 0 | 0 |
| Subtotal: Nonappropriated Special Fund | | 0 | 0 | 0 | 0 |
| TOTAL FTE POSITIONS BY FUND | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| TOTAL EXPENDITURES BY FUND | | \$65,225 | \$95,564 | \$94,500 | \$95,564 |